

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7146

BILL NUMBER: SB 340

NOTE PREPARED: Jan 7, 2009

BILL AMENDED:

SUBJECT: Renewable biomass fuel for motor vehicles.

FIRST AUTHOR: Sen. Kruse

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Requires local governments to use a fuel in their diesel fuel vehicles that is at least 5% diesel substitute fuel instead of 100% petroleum based diesel fuel. Creates an inspection and certification program administered by the department of agriculture with the assistance of the department of environmental management and the state department of health. Provides that substitute diesel fuel is fuel that is made with renewable biomass products, contains no sulfur or aromatics, results in a substantial reduction of unburned hydrocarbons, carbon monoxide, and particulate matter, and yields at least a 50% reduction in lifecycle greenhouse gas emissions per unit of delivered energy in comparison to traditional diesel fuel. Phases in the requirement over four years by requiring fuel that is 2% substitute diesel fuel beginning July 1, 2011, 3% beginning July 1, 2012, 4% beginning July 1, 2013, and 5% beginning July 1, 2014. Allows the department of agriculture to delay implementation for certain reasons. Establishes an interim study committee to study the feasibility and effectiveness of various forms of incentives to promote the development and use of diesel substitute fuel in Indiana.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.